



To be submitted to the Council at its meeting on 18th March, 2021

BUDGET SCRUTINY

26th January 2021 at 6.00 p.m.

Present:

Councillors Abel, Barfield, Beasant, Brookes, Cairns, Callison, Freeston, Furneaux, Goodwin, Green, Harness, Patrick, Pettigrew, Rogers, Sheridan, Woodward and Wilson.

Officers in Attendance:

- Rob Walsh (Joint Chief Executive)
- Joanne Hewson (Deputy Chief Executive and Executive Director for People, Health and Care)
- Sharon Wroot (Executive Director for Environment, Economy and Resources)
- Helen Isaacs (Assistant Chief Executive)
- Lisa Arthey (Assistant Director Safeguarding and Early Help)
- Carolina Borgstrom (Assistant Director Environment)
- Bev Compton (Director of Adult Social Services)
- Spencer Hunt (Assistant Director Safer and Partnerships)
- Sally Jack (Assistant Director Education and Inclusion)
- Damien Jaines-White (Assistant Director Regeneration)
- Simon Jones (Assistant Director Law, Governance and Assets)
- Mark Nearney (Assistant Director Housing, Highways and Transport)
- Stephen Pintus (Director of Public Health)
- Joanne Robinson (Assistant Director Policy, Strategy and Resources)
- Michelle Thompson (Assistant Director) (CCG)
- Clive Tritton (Strategic Regeneration Advisor)
- Laura Cowie (Scrutiny and Committee Advisor)
- Guy Lonsdale (Finance Group Manager)

Also in attendance:

- Councillor Jackson (Leader of the Council)
- Councillor Shreeve (Deputy Leader and Portfolio Holder for Finance, Resources and Assets)

- Councillor Cracknell (Portfolio Holder for Health, Wellbeing and Adult Social Care)
- Councillor Lindley (Portfolio Holder for Children, Education and Skills)
- Councillor Proctor (Portfolio Holder for Economic Development, Housing and Tourism)
- Councillor Shepherd (Portfolio Holder Safer and Stronger Communities)
- Councillor S. Swinburn (Portfolio Holder for Environment and Transport)

SPBS.4 APPOINTMENT OF CHAIR

RESOLVED – That Councillor Furneaux be appointed as the Chair for this meeting.

COUNCILLOR FURNEAUX IN THE CHAIR

SPBS.5 DECLARATIONS OF INTEREST

Councillor Rogers declared a personal interest in item SPBS.6 as an employee of the CCG.

SPBS.6 DRAFT FINANCE AND COMMISSIONING PLAN 2021/22 – 2023/24 POST LOCAL GOVERNMENT FINANCIAL SETTLEMENT

Members received a report from the Portfolio Holder for Finance, Resources and Assets outlining how the Council planned to deliver its agreed financial strategy over the coming three year period.

Ms Wroot introduced the report and members were then invited to ask any questions on the budget and the medium term financial plan.

Councillor Wilson referred to the subsections and finer details of the commissioning plan, noting that they were not all finalised and asked whether they would be in time for Council consideration. Councillor Jackson explained that as in previous years, some of the business cases needed further work and finalising but this would not hinder the process; the budget would still be proposed and presented at Council in February. In addition, Mrs Wroot reassured members that there was enough detail contained within the budget in order to fulfil her duty as Section 151 Officer.

Councillor Furneaux explained that he was content with the 3% precept for adult social care, but was not comfortable with the 1.98% council tax increase; noting that the earmarked reserves were quite high and queried whether these could be reduced in order to cover the council tax increase for this year? Mrs Wroot explained that these increases were in line with our responsibilities and that the council tax was used to fund service provision, without it the service budgets would have to carry any additional £1.6m overspend. Mrs Wroot also explained that the funding from Government for COVID-19 could only be used for COVID-19

purposes, and that by building in our own £2m reserve it could help mitigate pressures following COVID-19; such as additional children in care, additional social care needs etc.

Councillor Patrick asked if the 5% uplift in spending power as mentioned on the Autumn Statement was represented in our medium term financial plan. Mrs Wroot confirmed that this 5% was based on two assumptions of the 3% precept and 1.98% council tax increase. In a supplementary Councillor Patrick queried if any additional funding was being lobbied for. Councillor Shreeve confirmed that lobbying went on all the time and confirmed that the budget was set based on Government suggestions and assumptions.

With regards to collection rates, Councillor Wilson sought assurance that the 1% increase was enough to cover the slow down and bad collection rates. Mrs Wroot confirmed that the council would rather apply debt over a longer period than using harsh measures, this could result in a slow down of collection rates. The 1% increase on top of the usual slow down rates was based on assessments, and, if need be, would be adjusted and reviewed in the quarterly monitoring reports. Mrs Wroot confirmed she felt this would be enough for now.

In response to questions on the council tax hardship fund, and what the uplift of use of that fund was over the past 12 months; Mrs Wroot explained that it did get used. In terms of whether we would need more reserves, this was something to consider. It has been uplifted previously and then reduced when underutilised.

Councillor Furneaux questioned whether the 2% assumption on business rates was related to the South Humber Inward Investment Programme (SHIIP). Mrs Wroot confirmed this was an average figure but if SHIIP was to accelerate, this figure would also increase as the council was able to keep 100% of business collection rates.

Councillor Wilson sought clarification on the council tax support scheme, there was £670m of grant funding being allocated in 2021/22 to be split across local authorities and he wondered how this would be spent, and if there was any surplus what this could be spent on. Mrs Wroot advised that it was highly unlikely due to the type of funding it was that it could be used elsewhere, she believed it was ringfenced to council tax. Lobbying to Government for additional funding would continue though.

Councillor Brookes was happy to support the 3% precept for adult social care again this year but wanted to see a lower figure for council tax.

Adult Social Care

Councillor Wilson referred to the estimates within this section and asked when final figures would be confirmed. Councillor Cracknell explained that it had been a difficult period for adult social care and a lot of projects had been side-lined as a result of COVID-19. She was keen to progress

forward and move things along, and reassured members that she would do as much as she could. Councillor Wilson expressed concern as lines like this had appeared in previous years but had gone in different directions and requested clarification on proposals.

Councillor Furneaux acknowledged that the current pressures were showing best estimates available, but asked if these were likely to increase significantly? Councillor Cracknell confirmed that they weren't expected to increase; in fact they were hopefully it would go the other way.

Children's Services

No questions or comments.

Public Health and Leisure

Councillor Wilson raised concerns over health inequalities and sought further explanation on this part of the budget. He felt this needed to be a priority for our borough and sought reassurance on the money that had been allocated for this. Councillor Cracknell confirmed that health inequalities was a very important issue and she had recently discussed the matter with the Director of Public Health about reshaping and remodelling this post COVID. Although an exact figure couldn't be given, there was £12m of public health grant ringfenced and inequalities would be a part of it. Councillor Cracknell agreed to discuss further with the Director of Public Health and provide a written update to Councillor Wilson to keep him informed and offer further reassurance.

Economy and Growth

Councillor Wilson noted that there was a lot of money being saved from this envelope and asked for an explanation of this, and what the effects might be as a result. Mr Tritton confirmed that across the board the savings or opportunities for 2021/22 were fractionally over £2m. There was £1.1m from efficiencies through the Engie extension and an additional £300k of enterprise receipts, which was broadly inline with expectations.

Councillor Furneaux referred to the risk element of section 6, and the viability of this; specifically had it been impacted by COVID. Mr Tritton was still very confident in SHIIP, especially as the first development (my energi) was now on site. He confirmed that the long term picture was still very strong and progress had been made with the link road which only added to the viability.

Councillor Patrick noted that on page 80 of the appendix, there were two proposals with no narrative and asked the significance of the £80k. Mr Nearney explained this was due to a small increase relating to Section 38 and the schedule of rates. These rates had not been reviewed in over 20 years and the increase was believed to be fair and reasonable.

Mr Tritton reassured members that these rates had been increased in other local authorities and it hadn't hindered developments. Councillor Patrick asked for clarification of the capitalisation of staff and noted the move of spend from revenue to capital. Mr Tritton confirmed this was a relatively low figure but based on assumptions as we moved into long term capital there would be the opportunity to capitalise.

Councillor Wilson referred to the Europarc Bus subsidy and noted that this bus service was important for service to the businesses of the Borough. He felt that cutting the budget before the new bridge was built would send out a negative message to the businesses on Europarc. Councillor Wilson would like to see this removed from the budget until the bridge was complete. Councillor Jackson informed members that this subject had been discussed by Cabinet at length, and subject to planning permission, the scheme was ready to go ahead.

Environment

Councillor Furneaux asked if the £100k savings under bring to sites would reduce service provision. Councillor Swinburn confirmed that overall the provision would reduce and a review of bring to sites would be happening in the near future, but the intent was to make savings on under utilised sites.

Councillor Wilson queried the increase in skip permits. Mr Tritton and Mrs Borgstrom both reassured members that links between skip hire, waste management and fly tipping were closely monitored to ensure fly tipping was not adversely affected. Similar fears were had over the increase of bulky waste collections and no negative impact was seen. It was further clarified that the permit was for skips on the public highway only and not private property.

Councillor Brookes asked if non-essential ICT projects or non-essential projects across the board could be deferred for 12 months in order to create some additional savings, offsetting pressures in other areas. Mrs Wroot agreed to take this point away for consideration.

Corporate and Democratic Core

Councillor Wilson asked if the £0.2m revenue increase per annum was achievable. Mrs Wroot explained that this was a challenging target, and provided two examples such as lease and rent reviews which hadn't happened in a long time and should yield an income. It would be a business focused approach. Members raised concerns over this and hoped that sensitivities would be applied when looking at increasing rents and leases to businesses who would already be struggling as a result of the pandemic. Mrs Wroot assured members that there would be sensitivity in the approach.

Capital Projects

No questions or concerns raised.

RESOLVED – That the report be noted and the minutes of this meeting be included as part of the response to the consultation on the proposals.

There being no further business, the Chairman declared the meeting closed at 8.02 p.m.